

(Practitioner's Docket No. IN-5525/BC1-0056)

**REMARKS**

Upon entry of the present amendment claims 1 and 3-42 are pending in the application.

**1. Rejection of claims 1 and 3-42 under 35 U.S.C. §102(b) as being anticipated by Nakaya et al.**

Applicants greatly appreciate the detailed basis of rejection but must respectfully disagree. The PTO has maintained its rejection stating that "The rejection is maintained substantially as set forth in the previous office action." (Office Action of 2/9/2006, page 2). However, the PTO's previous rejections were based on Applicants' claim 1 prior to the Amendment of 11/25/2005. Applicants' have amended claim 1 and have submitted that claim 1 as amended is patentable over the Nakaya (see Amendment of 11/25/2005). The PTO has addressed Applicants' amendment and remarks as follows:

Applicant's argument in traversal appear to focus on the allegations that Nakaya et al fails to disclose melt mixing of crosslinking agent with a polymer having at least one salted group. Applicants' attention is directed to the fact that the claims as presented do not require a polymer with a salted group.

(Office Action of 2/9/2006, page 2)

The PTO's remarks are inconsistent as to the claimed invention of Applicants' claim 1. Specifically, Applicants' claim 1 discloses "at least one polymer (a), comprising at least one nonionic group or salted group per molecule." The PTO has previously stated that previous claim 2, which read "The aqueous dispersion of claim 1 wherein the at least one water dispersible group of polymer (a) is a nonionic group" would be allowable if rewritten in independent form. (Office Action of 8/24/2005, page 3.) In other words, the PTO has previously admitted that "the at least one water dispersible group of polymer (a) is a nonionic group" is not taught by Nakaya et al. Since the PTO has previously admitted that the prior art does not teach the aqueous dispersion of claim 1, wherein polymer (a) is a nonionic group, and since claim 1 discloses "at least one polymer (a), comprising at least one nonionic group or salted group per molecule." the only issue of contention is whether the polymer (a) with a salted group is taught by

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Nakaya et al. Applicants continue to strongly, but respectfully, submit that Nakaya et al does not teach the polymer (a) with a salted group.

The basis of rejection based on Nakaya is understood to be as follows:

Nakaya et al disclose aqueous dispersions suitable for coating applications. These compositions are taught as comprising blocked isocyanate resins which are taught as being melt blended with an acrylic resin containing a water dispersible functional group (carboxyl).

(Office Action of 8/24/05, page 2)

Applicants greatly the detailed basis of rejection but must respectfully disagree. To constitute anticipation, all material elements of a claim must be found in one prior art source. *In re Marshall*, 198 U.S.P.Q. 344 (C.C.P.A. 1978). Nakaya fails to satisfy this standard. In particular, Nakaya fails to disclose all of the required elements of amended independent claim 1.

As discussed in Applicants' Specification on page 4, paragraphs [00019] and [00018], the invention includes embodiments wherein the polymer (a) contains **saltable** groups, i.e., the embodiment of paragraph [00018], as well as embodiments wherein the polymer (a) contains **salted** groups, i.e., the embodiment of paragraph [00019].

In contrast, Nakaya fails to disclose the melt mixing of a solid crosslinker, i.e., Nakaya's reactive compound (IV), in a polymer having at least one salted group. Rather, Nakaya discloses melt mixing of resin powder (I) and reactive compound (IV) wherein reactive compound (IV) only has **saltable** groups, i.e., carboxy groups. That is, Nakaya clearly teaches that salted groups are formed on resin powder (I) only after the powder of melt mixed resin powder (I)/reactive compound (IV) is added to aqueous medium containing basic compound (II).

Nakaya only discloses basic compounds and does not recognize the advantages taught by Applicants' claimed invention. Specifically, by avoiding costs associated with handling a basic compound (II) in water, Applicants' product can be manufactured more efficiently.

Nakaya fails to disclose all of the required elements of Applicants' amended independent claim 1. As such, Nakaya fails to anticipate the claimed invention. Reconsideration and removal of the anticipation rejection as to amended independent

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claim 1 is respectfully requested in view of the foregoing remarks. Further, reconsideration and removal of the anticipation rejection of claims 3-42 is also respectfully requested inasmuch as these claim include all the limitations of independent claim 1.

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### CONCLUSION

Applicant(s) respectfully submit that the Application and pending claims are patentable in view of the foregoing amendments and/or remarks. A Notice of Allowance is respectfully requested. As always, the Examiner is encouraged to contact the Undersigned by telephone if direct conversation would be helpful.

Respectfully Submitted,



Mary E. Golofa  
Registration No. 36,814  
Cantor Colburn LLP  
(248) 524-2300

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### CORRESPONDENCE ADDRESS ONLY

BASF Corporation  
1609 Biddle Avenue  
WYANDOTTE, MI 48192  
Customer No. 26922